

1 THE REGULAR MEETING  
2 OF THE  
3 BOARD OF DIRECTORS  
4 TRABUCO CANYON WATER DISTRICT  
5 NOVEMBER 18, 2009  
6

7 The Regular Meeting of the Board of Directors of the Trabuco Canyon  
8 Water District (TCWD) was called to order by President Matt Disston at 7:00  
9 p.m. at Trabuco Canyon Water District's office located at 32003 Dove Canyon  
10 Drive, Trabuco Canyon, CA. Sharon E. Smith, Secretary/Treasurer, recorded and  
11 transcribed the minutes thereof.

12 **DIRECTORS PRESENT**

13 Matt Disston, President  
14 Mike Safranski, Vice President  
15 Jim Haselton  
Glenn Acosta  
Ed Mandich

16 **STAFF PRESENT**

17 Don Chadd, General Manager  
18 Hector Ruiz, District Engineer  
Sharon E. Smith, Secretary/Treasurer  
19 Rob Anslow, Legal Counsel (Bowie, Arneson, Wiles & Giannone)  
Teresa Teichman, Assistant to the General Manager  
Michael Perea, Special Projects Manager

20 **PUBLIC PRESENT**

21 Mr. Robert Meyers, representing Zadeh Meyer Engineering

22 **PLEDGE OF ALLEGIANCE**

23 Director Haselton led the Board, staff, and public in the pledge of  
24 allegiance.

25 **PUBLIC COMMENTS**

26 There were no public comments.

27 **ORAL COMMUNICATION**

28 There were no comments.

**DIRECTOR'S COMMENTS**

1           There were no comments.

2   **REPORT FROM THE GENERAL MANAGER**

3           Mr. Don Chadd, General Manager, stated that the computer hardware and  
4 software conversion was successfully completed. Also, a new cost effective  
5 telephone call system has been put in place to advise customers of potential  
6 water meter lock offs.

7   **ITEMS TOO LATE TO BE AGENDIZED**

8           No items were presented for consideration.

9                           **CONSENT CALENDAR**

10          President Disston announced that all matters under the Consent  
11 Calendar would be approved by one motion unless a Board Member requests a  
12 separate action on a specific item.

13          MOTION:       A motion was made by Director Acosta and seconded by  
14                        Director Haselton to approve the Consent Calendar, Item Nos.  
15                        1A through 1G, as presented. The motion carried 5-0.

16                           **ACTION CALENDAR**

17          President Disston stated that the General Manager and staff had  
18 reviewed all matters under the Action Calendar prior to the Board's  
19 consideration.

20                           **FINANCIAL MATTERS**

21   **ITEM NO. 1H.           DISCUSSION AND POSSIBLE ACTION(S) RELATING TO INTERIM AD**  
22                           **VALOREM PROPERTY TAX DIVERSION METER CHARGE**

23           **1)       Staff Presentation**

24          Mr. Chadd provided a Power Point presentation concerning the Ad Valorem  
25 Property Tax Diversion Meter Change. He stated that Proposition 1A allows  
26 that up to eight percent of local governments' property tax revenues can be  
27 borrowed by the State but must be repaid within three budget years, with  
28 interest. The State Legislative diverted the eight percent; the District's  
diverted property tax totals approximately \$96,300.00.

          In June of 2009 the Board directed staff to develop a one year "pass  
through" to District customers to recover the diverted taxes. Mr. Chadd  
stated that the ad valorem property tax revenue is dedicated revenue source

to pay the debt service for the Certificates of Participation Securities.

Mr. Chadd reviewed the monthly meter charge, by meter size, stating \ that the majority of customers will be charged \$1.72 monthly for 12 months.

Mr. Chadd recommended that the Public Hearing be opened.

**2) Public Hearing**

President Disston opened the Public Hearing to receive Public Comments relating to the Ad Valorem Property Tax Diversion Meter Charge.

There were no comments, and President Disston closed the Public Hearing.

**3) Board Discussion and Adoption of Resolution No. 2009-1119**

The Board questioned if the State can divert the property tax each year. Staff stated that the taxes can be diverted twice in a ten-year period; the first diversion must be repaid, however, before the second diversion would occur. It was also noted that if the State repays the current amount that will be diverted that customers will receive a credit.

Mr. Chadd recommended that the Board adopt the meter charge.

MOTION: A motion was made by Vice President Safranski and seconded by Director Mandich to adopt Resolution No. 2009-1119 which is entitled, "Resolution of the Board of Directors of the Trabuco Canyon Water District Board of Directors Determining Compliance with Procedural Requirements, Making Findings, Adopting and Imposing an Interim Ad Valorem Property Tax Diversion Meter Charge, Amending the Rate Schedules of the Trabuco Canyon Water District, and Taking Related Actions". The meter charge commences with the January 2010 utility billings.

VOTE: The motion carried as follows:

Ayes:	Disston, Safranski, Haselton, Acosta, Mandich
Noes:	None
Abstain:	None
Absent:	None

**ITEM NO. 11. DISCUSSION AND POSSIBLE ACTION(S) RELATING TO WATER RELIABILITY AND EMERGENCY STORAGE METER CHARGE**

**1) Staff Presentation**

Mr. Chadd reviewed the three projects that would be funded from the Water Reliability and Emergency Storage Meter Charge.

Rose Canyon and Lang Wells Facilities Upgrades

These upgrades are mandated by the Department of Public Health to meet the Surface Water Treatment Rule, and the District has approval for a State

1 Revolving Fund Loan at 2.38 percent interest for 20 years. During the first  
2 10-year period, the District is required to accrue a reserve for the annual  
3 principal and interest payment.

4 Mr. Chadd reviewed the monthly meter charge, by meter size, stating that  
5 the majority of customers would be charged \$5.09 for the first ten-year period  
6 and \$4.63 for the second ten-year period.

#### 7 Baker Regional Water Treatment Facility

8 The participation benefits were discussed with the Board, and the final  
9 cost to participate in the facility will be determined by Irvine Ranch Water  
10 District's project bid. The loan is estimated to be \$4,000,000.00 with 5.25  
11 percent interest. The monthly meter charge for the majority of customers  
12 would be \$5.83 for the Baker Facility.

#### 13 2.0 Plus Million Gallon Domestic Water Reservoir

14 Mr. Chadd stated that the size of the proposed reservoir would be  
15 determined by the site and would further achieve the seven day average water  
16 storage recommended by the Metropolitan Water District of Southern California.  
17 He noted that the construction timeline is to be determined, and the monthly  
18 charge per 5/8 and 3/4-inch meters would be \$5.58.

19 Mr. Chadd reviewed the total monthly charge for all three projects as  
20 follows:

- 21 • First ten-year period \$16.50
- 22 • Second ten-year period \$16.04

23 Mr. Chadd recommended that the Public Hearing be opened.

#### 24 **2) Public Hearing**

25 President Disston opened the Public Hearing to receive Public Comments  
26 relating to the Water Reliability and Emergency Storage Meter Charge.

27 There were no comments, and President Disston closed the Public  
28 Hearing.

#### **3) Board Discussion and Adoption of Resolution No. 2009-1120**

All Board members commented on the necessity of the charge for the  
long-term benefit of customers. It was noted that the cost per meter would  
be reduced if the construction costs are less than anticipated.

Mr. Chadd recommended that the Board adopt the charge.

1 MOTION: A motion was made by Director Acosta and seconded by  
2 Director Mandich to adopt Resolution No. 2009-1120 which is  
3 entitled, "Resolution of the Board of Directors of the  
4 Trabuco Canyon Water District Board of Directors Determining  
5 Compliance with Procedural Requirements, Making Findings,  
6 Adopting and Imposing a Water Reliability and Emergency  
7 Storage Meter Charge, Amending the Rate Schedules of the  
8 Trabuco Canyon Water District, and Taking Related Actions".  
The meter charge commences with the January 2010 utility  
billings.

6 VOTE: The motion carried as follows:

7 Ayes: Disston, Safranski, Haselton, Acosta, Mandich  
8 Noes: None  
Abstain: None  
Absent: None

9 **ADMINISTRATIVE MATTERS**

10 **ITEM NO. 1J. STATUS UPDATE RELATING TO CALIFORNIA DROUGHT AND WATER  
11 CONSERVATION EFFORTS**

12 Mr. Chadd reported that the City of Rancho Santa Margarita is holding a  
13 public hearing regarding its water conservation ordinance. Additionally, the  
14 Robinson Ranch Homeowners Association intends to expand its reclaimed water  
15 system. The Dove Canyon Master Association completed a minor reclaimed water  
16 system expansion as well, and work is continuing on the Shadow Road Detention  
Basin.

17 The Board received and filed the status update.

18 **ENGINEERING MATTERS**

19 **ITEM NO. 1K. STATUS UPDATE AND RELATING TO ROSE CANYON AND LANG WELLS  
20 UPGRADES TO TREATMENT FACILITIES**

21 Mr. Hector Ruiz, District Engineer, stated that six construction bids  
22 ranging from \$3,102,625.00 to \$3,640,145.00 were received on November 18,  
23 2009. He will closely evaluate the bids and requested that a Special Board  
Meeting be held to present the lowest, most responsive bidder for the Board's  
consideration.

24 Following a brief discussion, a Special Board Meeting will be agendized  
25 on November 23, 2009 at 7:00 a.m.

26 **ITEM NO. 1L. STATUS UPDATE RELATING TO BAKER REGIONAL WATER TREATMENT  
FACILITY**

27 Mr. Ruiz stated that agencies are seeking Board approval of Amendment  
28 No. 1 to the Agreement for Construction, Operation and Maintenance of the

1 Baker Water Treatment Plant (Consent Calendar Item No. 1G). The Amendment  
2 provides for an increase in the rated capacity and the parties' respective  
3 capacity rights.

4 The Board received and filed the status update.

5 **ITEM NO. 1M. PRESENTATION RELATING TO DOVE LAKE WATER QUALITY MANAGEMENT**

6 Mr. Chadd addressed this item. Discussion took place concerning the  
7 recent turning of Oso Reservoir, owned and operated by the Santa Margarita  
8 Water District (SMWD).

9 Mr. Chadd provided a Power Point, examining the ownership and the  
10 extensive rehabilitation of Dove Lake as well as the District's participation  
11 in the Dove Dam.

12 The water composition of the lake and the routine profiling, sample  
13 testing, and preventative maintenance procedures were reviewed. Mr. Chadd  
14 then discussed desirable lake conditions and the current infrastructure which  
15 includes two Solar Bee mixers which have assisted the District in maintaining  
16 the water quality of Dove Lake.

17 Mr. Chadd and Mr. Ruiz attended a recent SMWD meeting. Pace Engineering  
18 presented information on lakes turning over at the meeting and is preparing a  
19 report on the occurrence at Oso Reservoir. The firm visited Dove Lake and  
20 will analyze TCWD's operation of the lake. Staff does not anticipate that  
21 Dove Lake will turn over.

22 The Board received and filed Mr. Chadd's report.

23 **LEGISLATIVE MATTERS**

24 **ITEM NO. 1N. REVIEW OF LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL  
25 ITEMS**

26 Mr. Chadd stated that he met with the south Orange County agencies  
27 regarding the Municipal Water District of Orange County (MWDOC). All agency  
28 representatives agreed that the written response received from MWDOC was very  
disappointing. A response will be forwarded to MWDOC.

The Board received and filed the status update.

- END ACTION CALENDAR -

**ITEMS TOO LATE TO BE AGENDIZED**

No items were brought forward for consideration.

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### ADDITIONAL DIRECTORS' COMMENTS

#### ADDITIONAL GENERAL MANAGER COMMENTS

**ADJOURNMENT**

Respectfully Submitted,

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